

FY 2016 ENCUMBRANCE POLICY FAQs

Q: When do I need to get all of my FY 2016 invoices to Accounts Payable?

A: 11/15/2016 if it does not need to be converted to EBS and 1/15/2017 for any other Open POs.

Q: What happens if I do not get my FY 2016 invoices to Accounts Payable before the 1/15/2017 cut-off date?

A: Departments will need to re-enter a requisition using the FY 2017 appropriation to pay for the outstanding FY 2016 invoice. Vendors must use the new purchase order numbers on their invoices to receive payment.

Q: I have an operating purchase order that receives invoices for services in both FY 16 and FY 17. What should I do?

A: Operating purchase orders should only be for services that occur in the current fiscal year. On January 30, purchase orders from the prior fiscal year will all be closed and departments will need to develop a new requisition and purchase order to fund the remaining contract using FY 17 funds. Work with your vendor to make sure that all FY 17 invoices reference the new PO number provided by procurement to insure prompt payment. Moving forward, departments should develop POs and requisitions that terminate at the end of the fiscal year.

Q: If all purchase FY 2016 open purchase orders are going to be closed on 1/30/2017, why are we being asked which purchase orders we want to close now?

A: In order to reduce the number of POs that need to be closed and carried over into the new system at the end of the year, we will periodically ask departments to close open POs and requisitions that are no longer needed.

Q: How do I know if my purchase order or requisition should use FY 2016 Appropriations?

A: If the goods or services are received on or before 11/30/2016 then the PO should use FY 2016 appropriations. Note: if the invoice will be received after 1/15/2017, then it should use the FY 2017 appropriation.

Q: I didn't spend everything in my budget, what should I do?

A: Departments should only spend the money that they need for each fiscal year. Any funds not spent for the services or goods received for that fiscal year will be swept into the corresponding fund balance to improve the County's total fiscal condition.

Q: My operating purchase order spans multiple years. How will I pay my vendor if it is closed on 1/30/2017?

A: Operating Purchase orders should only span the fiscal year they are associated with. Create a new requisition for FY 2017 for the remaining balance or create a new requisition that covers the entirety of FY 2017.

Q: My Grant doesn't expire until after the end of the County's fiscal year. What will happen to my Purchase orders and expenses on 1/30/2017?

A: All grant purchase orders with end dates that are different from the county's fiscal year will be carried over into the next fiscal year. However, you will not be able to create new requisitions or POs after the end date of the Grant.

Q: When and how are departments notified of requisitions and/or POs with remaining funds prior to being closed with balances remaining?

A: The Department of Budget and Management Services will reach out to each department with a list of Purchase orders with available amounts on or around the following dates. 6/2/2016, 10/2/2016 and 11/30/2016.

Q: Will vendors be notified about the timeline to submit the 2016 invoices?

A: It will be the responsibility of departments to reach out to their vendors prior to the 1/15/2017 deadline.

Q: Currently, the Comptroller's Office does not process a partial invoice amount. However, there may be a dispute or an error on an invoice that will not be resolved in a timely manner to meet the 1/15/17 deadline?

A: If an invoice cannot be paid before 1/15/2017 a new purchase order number will be developed and the corresponding expenses will be recognized in the following fiscal year.

Q: I am developing my Capital and Grant Budget how much can I carry over into the new fiscal year.

A: For Grants and Capital Equipment, departments will be able to carry over the funds available at the end of the year. The funds available include the associated appropriation for any open encumbrances. For Capital Improvement POs only the encumbrances and their appropriations can be carried forward.

Q. Comptroller's Office requires an original invoice with the 29A. Will a department be allowed to submit an invoice copy in order meet the 1/15/17 cut-off?

A: Yes, provided that the proper back-up documentation is accompanied with the request.

Q: I have certain reports that require me to know what the prior year's carry over was for my grants or capital program. Will I be able to get this information in the new system?

A: Yes, at the beginning of the fiscal year the new system will allow you to identify current budgeted amounts as well as what was carried over from the prior year by fund, department, program, etc. at the sub ledger level.

Q: I have to pay a vendor upon receipt of the first invoice for services that will be received in the next fiscal year. What should I do?

A: As a general rule, departments should never pre-pay invoices. Work with your vendor and request that you be billed on a monthly basis or as the goods and services are received. Your operating purchase order should reflect the timing of the fiscal year. If you have further questions about this concern please work with the Comptroller's office.

Q. Will we be able to pay both FY16 and FY17 invoices during the grace period between 12/1/16 and 1/31/17?

A: Yes, the date that the goods or services are provided will help determine which fiscal year the invoice should be applied.

Q. I want to create a Grant or Capital requisition for FY 17 before the end of FY 16. Can I do this?

A: Yes, under the encumbrance policy Grant and capital requisition can be carried over from one year to the next. However, any requisitions over 365 days old will be closed at the end of the fiscal year. All Operating Requisitions for FY 16 will be closed at the end of the fiscal year.

Q. The Financial System is normally shut down for the first 3 weeks of the fiscal year. If we have to wait to enter a new operating requisition until the 3rd or 4th week in December, how would we pay our December invoices?

A: After the shutdown period, and once the appropriations become available, departments can submit their requisitions on the new system. The expectation is that the new system will be available on December 5th. Training on the new system, including entering requisitions will, be provided between October 24 and November 30.